

**SPARK ROUND 1 - LOCAL GOVERNMENT
 REIMBURSEMENT & DIRECT AID REVIEW
 MEMORANDUM**

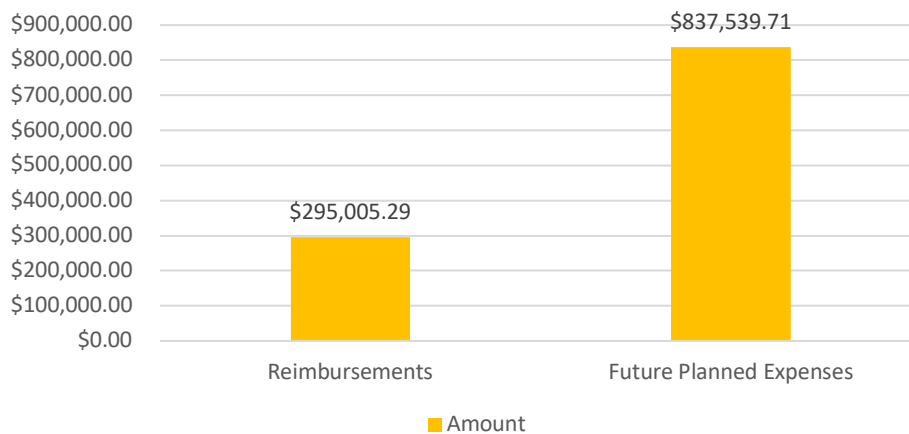
Date September 3, 2020
Re Review of Reimbursement and Direct Aid Spending Plan for Morris County

General Information

Population: 5,521
 COVID-19 Cases as of 8/21/2020: 16

Total Allocation Amount: \$1,132,545.00
 Total Submitted for Reimbursement: \$295,005.29
 Total Submitted for Future Planned Expenditures: \$837,539.71

SPENDING PLAN OVERVIEW



Reimbursement Request Overview

Total Amount for County Expenditures: \$5,081.83
 Total Amount for Subrecipients: \$289,923.46

Subrecipients and Amounts

Subrecipient	Type	Amount
City of Council Grove	City	\$2,141.63
City of White City	City	\$207.59
Morris County Hospital	Healthcare Institution	\$33,114.89
USD 417	School District	\$149,262.15
USD 481	School District	\$103,783.51
Crosswinds Counseling	Healthcare Institution	\$23,561.50
Total		\$312,071.27

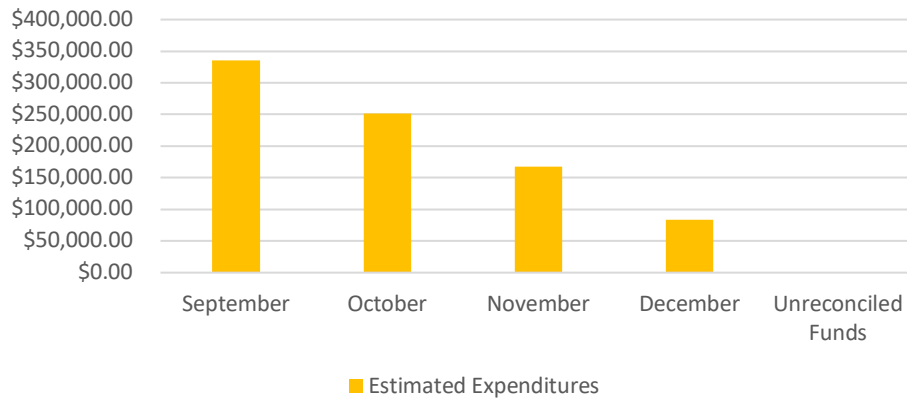
Direct Aid Overview – Future Spending Plan

Total Amount for County Expenditures: \$119,500.00

Total Amount for Transfers: \$554,392.38

Total Amount for Programs: \$163,647.33

PROJECT SPEND DOWN RATE



Subrecipients/Transfers and Amounts

Subrecipient	Type	Amount
Morris County Health Department	Governmental Entity	\$30,000.00
USD 481 Rural Vista	School District	\$306,442.53
USD 417 Morris County	School District	\$100,000.00
Morris County Hospital	Healthcare Institution	\$108,414.54
Council Grove Assisted Living	Healthcare Institution	\$6,587.43
Crosswinds Counseling	Healthcare Institution	\$2,947.88
Total		\$554,392.38

Proposed Programs

Program Title	Program Description	Program Budget Amount
Economic Development	Grants to small businesses and non-profits to minimize the economic effects of stay-at-home orders. Grants will be approved via an application demonstrating a negative effect to operations due to COVID-19.	\$300,000
Total		\$300,000

Definitions

General Considerations – Summarizes county expenditure data.

Technical Understanding of SPARK Process – Assesses compliance of applicant expenditure information with SPARK guidance.

Identified Compliance Considerations – Highlights requested items that may present potential complications for CRF support eligibility.

Spending Plan Request for Additional Information – Specifies what information is still needed from the recipients.

Modifications Required – Requests any changes still needed to a Reimbursement or Direct Aid plan for proper review.

Conclusion – Gauges whether the County's plan has sufficient information to move forward in the eligibility review process and highlights any remaining concerns.

General Considerations

Morris County has prioritized its reimbursement requests for school districts. Total County reimbursements equals 1.7% of all eligible expenditures, while school district requests total 87.2% of the \$295,005.29 submitted for reimbursement review.

Morris County's substantially larger direct aid request prioritizes school district expenditures, which amount to 48.5% of the \$837,540.16 submitted for direct aid review. Transfers to subrecipients nearly doubled from the reimbursements request, to a total of \$554,392.38. School districts account for 73% of transfer requests while healthcare institutions and the county department of health account for the remainder of requests.

The summary tab of the reimbursements report states that \$289,923.46 has been distributed to subrecipients, but in adding the total reported reimbursements from each subrecipient the total derived is \$312,071.27 leaving \$22,147.81 in unaccounted for funds.

The County should ensure that all expenses respond clearly to purpose and intent of CRF funding, meet all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

Technical Understanding of SPARK Process

Morris County and its subrecipients demonstrate a generally proficient understanding of the intent of the SPARK committee and reporting expectations as exemplified by their detailed reporting of expenditures for reimbursements and direct aid. Our identified risks and compliance considerations for these are outlined below.

Identified Compliance Considerations

Several items in the County's reimbursement and direct aid plan present possible risk:

1. Payroll Expenses

The matter of reimbursement for previously budgeted but substantially dedicated public safety and public health staff to COVID-19 related responsibilities remains an item of subjective interpretation. The Office of Recovery understands that many Counties and Cities are intending to utilize funding provided through CRF to account for this staff time. At this time, consistent with recently released guidance, the Office of Recovery has determined that the County may proceed with reimbursing the following payroll expenses:

- COVID-19 related FFCRA and FMLA leave costs
- Payroll for budgeted personnel and services diverted to a substantially different use than previously budgeted position (example: utility clerk re-assigned to support contact tracing)
- Previously unbudgeted staff hired to assist with COVID-19 related response or mitigation.

- Payroll for budgeted public safety and public health personnel that are considered substantially dedicated to preparing for, mitigating against or responding to COVID-19, and whose actions can be clearly documented. Public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel.
- Overtime cost burden associated with public safety, public health, health care, human services, or other employees experienced by the County, Cities or Schools as a result of increased workload associated with mitigating or responding to COVID-19 -or- backfill coverage as a result of staffing shortages tied to COVID-19 (including as a result of staff out due to a qualifying FFRCA or FMLA leave).

The U.S. Treasury’s Office of Inspector General recently released additional guidance on how payroll expenses should be documented (OIG-CA-20-028; #62, 69-71). The County should ensure that all payroll is documented compliant to the OIG Guidance.

2. USD 417 Electronic Locking Mechanisms

\$33,908.00

Reimbursement

USD 417 seeks \$33,908.00 in reimbursements to install electronic locking mechanisms at three of its buildings. While protecting public facilities during closures could be considered an allowable use of funds, the County should ensure the expense was purchased as a direct result of addressing COVID-19 related response measures.

Spending Plan Request for Additional Information

The following items require additional information for the State to feel comfortable with proceeding

Item	Recipient	Amount	Comment
Electronic Locking Mechanisms	USD 417	\$33,908.00	Detailed description how funds will be spent and related to COVID-19 recovery is requested.

Modifications Required

1. In future reporting, the County needs to reconcile the subrecipient listing/total of reimbursements to the of \$312,071.27 reflected in the Reimbursements Summary tab.

Conclusion

1. Based on the documents provided by Morris County, it appears they have a good understanding of the eligibility requirements relative to CARES Act funding and have appropriately followed this process.
2. Morris County should provide responses to all requests for additional information and modifications required as outlined in this memo.
3. Morris County has an appropriate Project Spend Down Rate representing a low risk of funds not being expended on or before December 30, 2020.
4. Morris County has proposed many potential subrecipient arrangements. The County should ensure they have appropriate level of administrative capacity to effectively monitor these subrecipients.
5. For the Grant Program, if not already in place, Morris County should consider development of an application process and establish a review committee to ensure equal access to funds from potential qualified applications. The County should also appropriately advertise the program within the community.

6. The County should ensure that all expenses respond clearly to purpose and intent of CRF funding, meet all eligibility criteria and will be documented to the county file to support the expense incurred before December 30, 2020.

Subject to review of the additional documentation requested and considerations regarding payroll expenses, Morris County may proceed with implementation of its CARES Act funding allocation as outlined in its provided reimbursement and direct aid plan.